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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/092,498	03/08/2002	Thomas W. Krause	2002-0308-NCPY	1270
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PHILIP R KRAUSE 8217 Lochinver Lane Potomac, MD 20854			EXAMINER CHEUNG, MARY DA ZHI WANG	
			ART UNIT	PAPER NUMBER
			3694	
			MAIL DATE	DELIVERY MODE
			09/26/2008	PAPER

Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

Office Action Summary

Application No.

10/092,498

Applicant(s)

KRAUSE ET AL.

Examiner

MARY CHEUNG

Art Unit

3694

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --
Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 14 July 2008.
- 2a) ☒ This action is **FINAL**. 2b) ☐ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-20 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-20 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
 2. ☐ Certified copies of the priority documents have been received in Application No. _____.
 3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- 1) ☐ Notice of References Cited (PTO-892)
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- 3) ☐ Information Disclosure Statement(s) (PTO/SF/ICE)
Paper No(s)/Mail Date _____
- 4) ☐ Interview Summary (PTO-413)
Paper No(s)/Mail Date _____
- 5) ☐ Notice of Informal Patent Application
- 6) ☐ Other: _____

DETAILED ACTION

Acknowledgements

1. The examiner for this application has changed. Please indicate Examiner Mary Cheung as the examiner of record in all future correspondences.

Status of the Claims

2. This action is in response to the amendment filed on January 24, and July 14, 2008. Claims 1-20 are pending and examined. Claims 1, 4 and 17-18 are amended.

Response to Arguments

3. Applicant's arguments filed January 24, 2008 have been fully considered but they are not persuasive.

In response to the applicant's argument that Bounty fails to teach the entity and the price must be determined prior to collection of pledges, the examiner respectfully disagrees. Bounty teaches permitting other people add to the bounty and allowing the totals to add until someone claims that bounty (see the second paragraph under the heading "The Proposal:"); that the people who can add to the bounty corresponds to the "entity" claimed by the applicant, and this step happens before the collection of the pledges for bounty claiming process. Bounty further discloses setting pricing parameters for identifying the ultimate price to be paid to the developer for creating and delivering the desired software (see the fourth paragraph under the heading "To get more specific:"); and the content under the heading "Fees), and the parameter is set before the collection of the pledges for bounty claiming process.

In response to applicant's argument that the references fail to show certain features of applicant's invention, it is noted that the features upon which applicant relies (i.e., special definitions for "deadline", "agreement", "time limitation") are not recited in the rejected claim(s). Although the claims are interpreted in light of the specification, limitations from the specification are not read into the claims. See *In re Van Geuns*, 988 F.2d 1181, 26 USPQ2d 1057 (Fed. Cir. 1993).

In response to the applicant's arguments that recited limitation "for cooperative auction", the phrase is intended uses or capabilities and not positive limitations. It is not clear if the devices perform the actions as described. See *In re Schreiber*, 44 USPQ 2d 1429, and *In re Collier*, 158 USPQ 266.

In response to the applicant's argument that Bounty with Official Notice fails to teach the patent right as claimed in claims 15 and 16, the patent right claimed by the applicant is data *per se*, and non-functional descriptive material (see MPEP 2106.01 and 2106.02). Non-functional descriptive material does not fall within one of the four statutory categories: process, machine, manufacture, and composition of matter. The patent right claimed by the applicant directed to non-statutory subject matter; therefore, there is no patentable weight.

Since the applicants did not seasonably traverse the Official Notice statements as stated in the previous Office Action mailed on September 24, 2007, the Official Notice statement(s) are taken to be admitted prior art. See MPEP §2144.03.

Claim Rejections - 35 USC § 102

4. The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(a) the invention was known or used by others in this country, or patented or described in a printed publication in this or a foreign country, before the invention thereof by the applicant for a patent.

5. Claims 1-2, 6, 8-14, and 17-20 are rejected under 35 U.S.C. 102(a) as being anticipated by www.Bounty.org (hereinafter "Bounty").

Examiner notes the use of the "The WayBack Machine" at www.archive.org for this Office Action. The Internet Archive is a comprehensive library of Internet sites and other cultural artifacts in digital form. The Wayback Machine is a free service allowing people to access and use archived versions of past web pages within the Internet Archive. Visitors to the Wayback Machine can type in a URL, select a date range, and then will be able to search and view the Internet Archive's enormous collection of web sites, dating back to 1996 and comprising over 10 billion web pages. In this case the Examiner found an archived version of www.bounty.org/proposals/proposal1.html from October 17, 2000 with a description of a proposed system for awarding cash payments for the creation of new technologies, such as "copylefted" software.

Regarding claims 1, 17 and 18, Bounty discloses a method and computer system for awarding cash payments for the creation of new technologies in sequence (see Abstract and Background), including:

- a) Identifying a cause (the first paragraph under the heading "The proposal."; the first two paragraphs under the heading "To get more specific."; and the section "Writing the bounty.");
- b) Identifying an entity capable of performing an action related to the cause (the second paragraph under the heading "The proposal."; and the fourth paragraph under the heading "To get more specific."; *The Examiner notes that "entity" corresponds to the people who can add to the bounty*);
- c) Setting parameters for the cooperative auction, said parameters comprising:
- identifying a price for the action (the fourth paragraph under the heading "To get more specific."; and the content under the heading "Fees");
 - specifying, via a computer system, a deadline for receiving pledges earmarked for the action (the second paragraph under the heading "The proposal;" and the third and fourth paragraphs under the heading "To get more specific."; *The Examiner notes that in this instance the deadline for receiving bids would be when a developer uploads the developed software and the bounty is awarded. The Examiner further notes that Bounty discloses contingency plans for unclaimed, unmet, or expired bounties – see item 6 under "Writing the bounty:" and the second paragraph under "Adding to the bounty:"*);
- d) Receiving, via a computer system, before the deadline, a plurality of pledges of value units earmarked for the action (the second paragraph under the heading

"The proposal:" and the third and fourth paragraphs under the heading "To get more specific:");

e) Providing consideration to the entity in exchange for performance of the action, where the consideration comprises value units pledged in step d (the second paragraph under the heading "The proposal:" and the third and fourth paragraphs under the heading "To get more specific :").

Regarding claims 2 and 19, Bounty further discloses entering an agreement with the entity, the agreement containing a condition such that, if the condition is met, the entity agrees to take the action (see "Writing the bounty:"; *The Examiner notes that the bounty specification include several conditions laid out by the initiator of the bounty, to which the developer inherently agrees by developing and submitting software in response to the posted bounty to collect the money*).

Regarding claim 6, Bounty further discloses that the total amount of contributions from the contributors equals the amount of the bounty (the second paragraph under the heading "The proposal:", and the third and fourth paragraphs under the heading "To get more specific :").

Regarding claims 8-14 and 20, Bounty further discloses that the entity is the holder of an intellectual property right, the cause is the extinguishment or renunciation of the intellectual property right, and that the intellectual property right may be a copyright right, including the right of electronic distribution of a copyrighted work, the right to reproduce a copyrighted work, and the right to make a derivative work of a copyrighted work, as well as that the extinguishment of the intellectual property right

may be effectuated by transferring the intellectual property right to a second entity, which has represented that it will not enforce the intellectual property right (see Abstract; Background; the third paragraph under "The proposal:."; the fourth paragraph under "To get more specific:."; and item 5 of "Writing the bounty:").

The Examiner notes that the developer accrues certain intellectual property rights by developing new software, such as copyrights, to which the developer extinguishes or renounces at least a portion of those rights by agreeing to let the developed software be "copylefted". The Examiner further notes that "copyleft" is a well-known form of licensing that may be used to modify copyrights for a variety of works, including computer software, documents, music, and art. Under current law, rights under copyright law permit the author of a work to prohibit others from reproducing, adapting, or distributing copies of the author's work. However, copyleft allows the copyright holder to give those who receive a copy of the protected work permission to reproduce, adapt or distribute the work as long as any resulting copies or adaptations are also bound by the same copyleft agreement. The GNU General Public License is a commonly used copyleft license that generally covers rights under copyright including the distribution and reproduction of copyrighted works, as well as the creation of derivative works.

Claim Rejections - 35 USC § 103

6. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the

invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

7. Claims 3-5, 7 and 15-16 are rejected under 35 U.S.C. 103(a) as being unpatentable over Bounty.org (hereinafter "Bounty") view of Official Notice.

Regarding claims 3 and 4, as noted above, Bounty discloses that the posted bounties may expire. However, Bounty does not explicitly disclose that the agreement is entered prior to receipt of pledges, and that the agreement specifies a time limitation, such as a deadline, related to payment of the price. The Examiner takes Official Notice that it was old and well-known in the art at the time the invention was made to include a time limitation, such as a deadline, within an agreement for the purposes of ensuring that performance under the agreement is accomplished in timely manner consistent with the goals of the parties to the agreement. Therefore, it would have been obvious to one of ordinary skill in the art at the time the invention was made to modify the bounty specifications of Bounty to include a specific time limitation for providing the requested software, in order to ensure the initiator of the bounty received the desired software in a timely manner, as was old and well-known.

Regarding claim 5, Bounty further discloses that a plurality of pledges are made by at least one bidder (the second paragraph under "The proposal:", and the third paragraph under "To get more specific :"). However, Bounty does not explicitly disclose that the bidder may set an expiration time for his pledge. The Examiner takes Official Notice that it was old and well-known in the art at the time the invention was made for a bidder to include an expiration time on a bid, for the purpose of providing predictability for the bidder regarding outstanding potential financial obligations. Therefore, it would

have been obvious to one of ordinary skill in the art at the time the invention was made to permit the contributors to the bounty in Bounty to set times for their pledges to expire, in order to permit the contributors of predictably forecast their financial obligations, as was old and well-known.

Regarding claim 7, Bounty does not explicitly disclose that a bidder's pledge results in a transfer of value units from the bidder if the condition is met prior to expiration of the pledge. The Examiner takes Official Notice that it was old and well-known in the art at the time the invention was made to utilize only valid bids in an auction or similar system, for the purpose of ensuring the integrity of the auction. Therefore, it would have been obvious to one of ordinary skill in the art at the time the invention was made to modify the system of Bounty to ensure that only valid pledges from contributors were included in the bounty, in order to ensure the integrity of the bounty system by providing the developer with the posted bounty, as was old and well-known.

Regarding claims 15 and 16, as noted above, Bounty discloses a method and computer system for awarding cash payments for the creation of new technologies (see Abstract and Background). However, while Bounty explicitly discloses the creation of software and addresses the copyright issues, Bounty does not explicitly disclose that the intellectual property right may be a patent right, such the right to manufacture a product. The Examiner takes Official notice that it was old and well-known in the art at the time the invention was made that new technologies, in particular software, may be covered by a wide-range of intellectual properties, including copyrights and patents, for

the purpose of promoting the useful arts and sciences by providing specified rights and protections to the innovator. Therefore, it would have been obvious to one of ordinary skill in the art at the time the invention was made to modify the system of Bounty to include or address the disposition of the patent rights related to any software developed and submitted, in order to further promote subsequent distribution free from lingering intellectual property claims.

Conclusion

8. THIS ACTION IS MADE FINAL. Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire **THREE MONTHS** from the mailing date of this action. In the event a first reply is filed within **TWO MONTHS** of the mailing date of this final action and the advisory action is not mailed until after the end of the **THREE-MONTH** shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than **SIX MONTHS** from the mailing date of this final action.

Inquire

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Mary Cheung whose telephone number is (571)-272-6705. The examiner can normally be reached on Monday – Thursday from 10:00 AM to

7:00 PM. If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, James Trammell, can be reached on (571) 272-6712.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).

The fax phone numbers for the organization where this application or proceedings is assigned are as follows:

- (571) 273-8300 (Official Communications; including After Final
Communications labeled "BOX AF")
- (571) 273-6705 (Draft Communications)

/Mary Cheung/
Primary Examiner, Art Unit 3694
September 23, 2008